

EXHIBIT 1

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION**

DAVID A. STEBBINS

Plaintiff,

v.

EDUCAP, INC., *et al.*,

Defendants.

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)
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)
)
)
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Case No. 1:14cv961

DECLARATION OF ZABRINA SHEPHERD

Pursuant to 28 U.S.C. § 1746, I hereby declare as follows:

1. My name is Zabrina Shepherd. I am the Custodian of Records of EduCap Inc. ("EduCap"). My business address is 45610 Woodland Road, Suite 370, Sterling, VA 20166. I am authorized to make this declaration on behalf of EduCap.
2. This declaration is made in support of EduCap Inc.'s Motion for Summary Judgment in the above-captioned action.
3. The facts stated in this Declaration are based upon my review of EduCap's business records and my personal knowledge. If called as a witness, I could, and would, testify competently to each of the facts set forth herein.
4. On or about August 15, 2007, Plaintiff applied for and was approved for a student loan in the amount of \$5,000 through the Loan to Learn program. A copy of the Combined Private Education Loan Application and Promissory Note is attached hereto as Exhibit A.
5. On or about August 16, 2007, EduCap distributed the proceeds of the student loan by check number 35467 payable to David A. Stebbins. Plaintiff endorsed the disbursement

check and received the loan proceeds on or about August 21, 2007. A copy of the Loan Check endorsed by Plaintiff is attached hereto as Exhibit B.

6. Plaintiff began making payments on the loan, including but not limited to those made on or about March 7, 2008, and August 7, 2009. A copy of the loan payments are attached hereto as Exhibit C.

7. Plaintiff failed to make all required payments under the Promissory Note, and therefore, is in default hereof. A copy of the Balance Sheet is attached hereto as Exhibit D.

8. As a result of said default, EduCap filed a Complaint in the Circuit Court of Boone County, Arkansas (Case No. 05cv-14-1-1)(the "Collection Action Complaint") seeking to collect the amounts due and owing under the Promissory Note.

9. Based upon my personal knowledge, EduCap was not contacted by any government officer and asked to file the Collection Action Complaint.

10. On or about May 5, 2014, Plaintiff filed a Motion to Dismiss or in the Alternative for Summary Judgment alleging that EduCap failed to properly serve process on the Plaintiff.

11. Upon consideration of the allegations raised in Plaintiff's Motion to Dismiss regarding improper service of process, EduCap decided to voluntarily dismiss the Collection Action Complaint without prejudice to re-filing.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on

October 20, 2014

By:



Zabrina Shepherd
EduCap Inc.

EXHIBIT A

08/16/2007 08:53 FAX 601 584 9451

CHAPTER 13 TRUSTEE

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PAGE 07

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30067404 - B-07:12:ADPMIU OF A COPY CENTRAL

Combined Private Education Loan
Application and Promissory Note

application id: 30067404

product: Education Loan

Send with Attachments to:
Loan Processing Center
P.O. Box 651210
Sterling, VA 20165-1210
OR, fax to: 1-800-985-0230
Have Questions? Call: 1-866-732-3961
<http://www.loan-to-learn.com/My-App/AppStatus.aspx>loan to learn.
An Investment In Your Future

A. STUDENT BORROWER

name DAVID A. STEBBINS date of birth 12/29/1988 social security # REDACTED-4148
 permanent address 155 north McIlroy avenue apt city Daytonville state AR zip 727010000
 home telephone (permanent) (870) 743-4386 school telephone (temporary) _____
 are you a U.S. citizen? ☒ yes ☐ no if no, are you a lawful permanent resident? ☐ yes ☐ no if yes, please attach a copy of your ins form I-551 or "green card"
 if both above answers are no, are you an international student? ☐ yes ☐ no please attach a copy of your i-20 id, or your i-94, or your f-1 or j-1 visa along with a copy of your passport.
 e-mail address: datebbin@uark.edu telephone: _____
 employer/company name: School Income annual employment income: \$0.00 additional annual income *: \$0.00 retirement assets: \$0.00 non-retirement assets: \$104.00
 monthly housing payment: \$0.00 ☐ own ☐ rent
 reference name (relative not living with you): _____ telephone: _____
 driver's license number: _____ state issued: _____

* ALIMONY, CHILD SUPPORT OR SEPARATE MAINTENANCE INCOME NEED NOT BE REVEALED IF YOU DO NOT WISH TO HAVE IT
 CONSIDERED AS A BASIS FOR REPAYING THIS LOAN.
 you will be a borrower of this loan, should it be approved, on the condition you are a U.S. citizen or a lawful permanent resident and of legal age in your
 state of residence which is 18 in all states with the following exceptions: Alabama and Nebraska, 19 years old.

B. CO-SIGNER #1

NOTICES: By completing the CO-SIGNER #1 information below, the applicant agrees that they are applying for joint credit.

name CAROLYN A. WARDNER date of birth 3/31/1940 social security # REDACTED-0118
 permanent address 90 Golf Course Rd. city Hattiesburg state MS zip 39401
 telephone (601) 264-8615
 relationship to student: Aunt / Uncle
 are you a U.S. citizen? ☒ yes ☐ no if no, are you a lawful permanent resident? ☐ yes ☐ no if yes, please attach a copy of your ins form I-551 or "green card"
 employer/company name: _____ telephone: _____
 annual employment income: \$36,000.00 additional annual income *: \$0.00 retirement assets: \$0.00 non-retirement assets: \$0.00
 monthly housing payment: \$0.00 ☒ own ☐ rent
 driver's license number: _____ state issued: _____

* ALIMONY, CHILD SUPPORT OR SEPARATE MAINTENANCE INCOME NEED NOT BE REVEALED IF YOU DO NOT WISH TO HAVE IT
 CONSIDERED AS A BASIS FOR REPAYING THIS LOAN.

C. CO-SIGNER #2

NOTICES: By completing the CO-SIGNER #2 information below, the applicant agrees that they are applying for joint credit.
 CALIFORNIA RESIDENTS: If you are married, you may apply for a separate account.

name _____ date of birth _____ social security # _____
 permanent address _____ city _____ state _____ zip _____
 telephone _____
 relationship to student: _____
 are you a U.S. citizen? ☐ yes ☐ no if no, are you a lawful permanent resident? ☐ yes ☐ no if yes, please attach a copy of your ins form I-551 or "green card"
 employer/company name: _____ telephone: _____
 annual employment income: _____ additional annual income *: _____ retirement assets: _____ non-retirement assets: _____
 monthly housing payment: _____ ☐ own ☐ rent
 driver's license number: _____ state issued: _____

* ALIMONY, CHILD SUPPORT OR SEPARATE MAINTENANCE INCOME NEED NOT BE REVEALED IF YOU DO NOT WISH TO HAVE IT
 CONSIDERED AS A BASIS FOR REPAYING THIS LOAN.

<<<RETURN TO LOAN TO LEARN>>>

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08/16/2007 08:54 FAX 601 584 9451

CHAPTER 13 TRUSTEE

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08/16/2007 08:25 6015795057

HATTIESBURG CLINIC

PAGE 08

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Combined Private Education Loan
Application and Promissory Note

application id: 30067404

product: Education Loan

Send with Attachments to:
Loan Processing Center
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Sterling, VA 20165-1218
OR fax to: 1-800-985-0230
Have Questions? Call: 1-866-732-3961
<http://www.loantolearn.com/MyApp/AppStatus.aspx>

loan to learn.

An Investment in Your Future

a. loan information

estimated loan amount: \$5,000.00

loan amount may include current/next period tuition, room and board, and computer expenses.

requested disbursement date (optional): 8/18/2007 Must be no later than 09/15/2007

repayment while in school:

- ☒ interest only payments
☐ principal and interest payments
☐ principal and interest payments deferred

b. school information

school name: UNIVERSITY OF ARKANSAS MAIN CAMPUS school code/branch: 0010800 anticipated graduation date: 5/31/2011
address: ADMINISTRATION BLDG 4 city: FAYETTEVILLE state: AR zip: 72701 country: US
academic year for use of funds: from: to: ☒ undergraduate ☐ graduate
☒ full-time ☐ part-time ☐ half-time in state? ☒ yes ☐ no

Notice: If more than one person signs this Combined Private Education Loan Application and Promissory Note ("Note"), the terms of which are contained in all 4 pages hereof, each of you is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. The holder of this Note may enforce its rights under this Note against each of you individually or against all of you together. This means that any one of you may be required to pay all of the amounts owed under this Note, which may include interest charges, late fees and collection costs. Each of you is subject to the same collection methods, which may include suing you, garnishing your wages or other remedies allowed by law. We may report information about this account to credit bureaus. Late payments, missed payments, or other defaults on this account may be reflected in your credit report.

Promise to Pay: For value received, each of the undersigned, jointly and severally, if more than one, promise to pay to Lender the Loan Amount, together with interest in accordance with the terms of this Note and Disclosure Statement that will be provided to me before disbursement of the Loan. Capitalized terms are defined in Section 6 of this Note. I acknowledge that I have read this entire Note and have been provided with a copy of the Note to retain for my records.

Authorizations: By signing below, I agree to the terms and conditions contained in this Note including the following: Everything disclosed in the application portion of this Note is true and correct to the best of my knowledge. The proceeds of the Loan made as a result of my application will be used only for educational purposes. I authorize Lender and its agents to check my credit, income, enrollment and employment history and to provide my application and any attachments to Lender's agents, EduCap Inc, and any subsequent holder. I authorize Lender to discuss the status of my application with the school on my behalf. If more than one person signs below, we intend to apply for a joint account.

Notice to Co-Signer(s): You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility. You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount. The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of your credit record. This notice is not the contract that makes you liable for the debt.



DAVID A. STEBBINS

David A. Stebbins

date: 8-15-07

CAROLYN A. HARDTNER

Carolyn A. Hardtner

date: 8-15-07

Warning: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment.

<<RETURN TO LOAN TO LEARN>>

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EXHIBIT B

HSBC Bank USA, N.A. - Image Archive

FOR SECURITY PURPOSES, THE FACSIMILE DOCUMENT CONTAINED HEREIN IS A COPY OF THE ORIGINAL DOCUMENT. IT IS NOT A TRUE WATERMARK PAPER.

HSBC Bank USA, N.A.
P.O. Box 1338
Buffalo, NY 14240
AppID 032057404 LOAN TO LEARN

Void if not deposited within 60 days

35467
10/2/2007

Date 08/16/2007
Amount \$*****5,000.00

PAY: Five Thousand And No/100 Dollars

TO THE ORDER OF
DAVID A. STEBBINS
155 N MCILROY AVE APT 237
FAYETTEVILLE, AR 72701-4032

David A. Stebbins

⑈0000035467⑈ ⑆022000020⑆ 763009659⑈

0870151220 08/16/2007 F50 5001901536

David A. Stebbins

Account Number	Date Posted	Trd Ind	Check Number	Amount	Sequence Number	Tran Code
REDACTED 9659	08/21/2007		0000035467	5000.00	7878559198	000000

Item 4 of 30

EXHIBIT C

IMAGE ITEM REPORT

WESTERN UNION MONEY ORDER		INTEGRATED PAYMENT SYSTEMS, INC. - ISSUER Englewood, Colorado	
***PAY EXACTLY \$50.00		08-915179592	
CENT 717687 DATE 073009		50.00	
TIME 2157 07		089151795926 LOCATION 000008	
** PAY EXACTLY FIFTY DOLLARS AND NO CENTS *****			
PAY EXACTLY		PAYMENT FOR/ACCT. #	
PAY TO THE ORDER OF <u>Loan Servicing Center</u>			
PURCHASER'S ADDRESS <u>David Stebbins Apt 22010000027164</u>			
<small>PURCHASER, SIGNER FOR SIGNATURE transported by direct mail to the issuing office.</small>			
<small>Western Union Money Order and Design is a service mark of Western Union Holdings, Inc./Payable at Wells Fargo Bank (Grand Junction - Downtown, N.A., Grand Junction, Colorado)</small>			
+10200010010 40089151795926		0000005000	

sequencenumber = 5 subseqno = 9999 processing = 8/7/2009 Amount = 50.00

SERVICE CHARGE
If the Money Order is not used or cashed (presented for payment) within one (1) year of the purchase date, there will be a non-refundable service charge applied (where permitted by law). The service charge will be deducted from the amount shown on the Money Order. The service charge is fifty cents (\$0.50) per month from the date of purchase, not to exceed forty-two dollars (\$42) (or where such charge exceeds the maximum amount permitted by law, the maximum amount permitted by law).

ENDORSE ABOVE THIS LINE

NOTICE: Do not cash this Money Order for any person from whom you are not able to recover your payment. Should this item bear any unauthorized signature, be stolen, improperly completed or altered, issuer will either stop payment, return or charge back against any endorsement. For customer service, call 1-800-999-9660.

WARNING: DO NOT CASH CHECK WITH OUT NOTING SECURITY MARK ON BACK. HOLD AT ANGLE TO LIGHT TO VERIFY MARK.

James Patterson
James Patterson

sequencenumber = 5 subseqno = 9999 processing = 8/7/2009 Amount = 50.00

IMAGE ITEM REPORT

DAVID A STEBBINS PH. 870-743-4386 8527 HOPEWELL RD HARRISON, AR 72601		539 81-7020/2829
Pay to the Order of <u>Loan to Loan Servicing Center</u> \$ <u>48.01</u> <u>forty-eight dollars + 0/100</u> Dollars		Date <u>2-29-08</u>
FIRST FEDERAL For loan payment		
David Stebbins		
28 29 70 20 4 15 REDACTED 4 28 2 0539 "00000004801"		

sequencenumber = 114 subseqno = 0 processing = 3/7/2008 Amount = 48.01

Handwritten notes and stamps, including a date stamp "MAR 1 2008" and other illegible markings.

sequencenumber = 114 subseqno = 0 processing = 3/7/2008 Amount = 48.01

EXHIBIT D

Balance Sheet

Loan Number:	164
Name:	STEBBINS DAVID A.
App ID:	30067404

Principal:	\$ 4,444.28
Interest:	\$ 263.89
Late Charges:	\$ 40.00

Payoff as of 11/14/2013 :	\$ 4,748.17
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Court Costs:	\$ 0.00
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Per Diem Amount	\$ 0.88
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Loan Open Date:	08/17/2007
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Payment History (Last 6 Payments)	
03/08/2013	\$ 35.52
02/05/2013	\$ 35.52
01/04/2013	\$ 35.53
12/07/2012	\$ 35.52
11/05/2012	\$ 35.52
10/05/2012	\$ 35.52

Date Last Pmt Reversal:	03/08/2013
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Interest Rate Data	
Base Rate:	3.25%
Discounts:	.00%
Variance Rate:	4.00%
Calculated Rate:	7.25%

Current Securitization ID:	L2L 105
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